

MINUTES
State Allocation Board
June 22, 2005

Upon notice duly given, the monthly meeting of the State Allocation Board was held at the California Department of Education located at 1430 "N" Street, Room 1101, Sacramento, California on June 22, 2005 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Thomas Campbell, Director, Department of Finance
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Ron Joseph, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Alan Lowenthal
- Senator Jack Scott
- Assembly Member Lynn Daucher
- Assembly Member Jackie Goldberg
- Assembly Member Joe Coto

Representatives of the State Allocation Board (SAB) were as follows:

Luisa M. Park, Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Luisa M. Park, Executive Officer
Lori Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Assistant Chief Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:05 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the May 25, 2005 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer provided the Board with a status update regarding career technical facilities, an issue that was brought before the Board at the May 25, 2005 meeting. Staff has been reviewing the statutory requirements for career technical facilities in school construction projects and various means to ensure compliance. It is anticipated that staff will present a report at a future Board meeting.

DELEGATION OF AUTHORITY

A motion was made and carried to approve the Delegation of Authority for Lori Morgan as the Deputy Executive Officer of the Office of Public School Construction and the State Allocation Board.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

Board members inquired as to whether there are enough schools that qualify for funding from the remaining bond funds (\$6.9 billion). The Executive Officer stated that, based on school districts filing their eligibility applications, there is a need in the school community of \$16 billion and that OPSC has been receiving an average of about \$200 million in applications each month.

Additionally, the Board inquired as to the status of the Emergency Repair Program with regard to the number of applications received and when the Board would be apportioning funding for that program. The Executive Officer stated that the applications being reviewed were questionable in terms of funding requests for health and safety.

The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS***Deferred Maintenance Program Extreme Hardship Project Time Extension***

In considering this item, the Board approved the staff's recommendation.

Gilroy Unified/Santa Clara 51/69484-00-00

In considering this item, the Board approved the staff's recommendations.

Guerneville Elementary/Sonoma 58/70722-00-01

In considering this item, the Board approved the staff's recommendations.

Tracy Joint Unified/San Joaquin 25/75499-00-00

In considering this item, the Board approved the staff's recommendations.

SPECIALS/APPEALS***Requests for Reimbursement of New Construction Projects***

This item was withdrawn at the request of the districts.

Centinela Valley Union High/Los Angeles 50/64352-00-00

This item was withdrawn at the request of the District.

State Relocatable Classroom Program

Board members discussed the lease revenue issue and the manner in which it is applied to the General Fund through budget control language. Garry Ness provided the Board with clarification of Budget Act language authority reflected on agenda pages 159 and 160. The Board also expressed the need to retain funds (approximately \$5 million) for the 2005/06 Fiscal Year in order to allow the movement of relocatables from school sites that no longer are in need to those school sites that are in need.

Ultimately, the Board held over this item for further discussion in July and directed staff to prepare a report for the July SAB meeting to include the following:

- Research the transfer of relocatable proceeds in the current year to the General Fund, including review of the tape from the Budget and Fiscal Review Subcommittee No. 1 on Education;
- History of the authorization for transferring relocatable funds to the General Fund;
- A resolution declaring the Board's desire to retain relocatable proceeds for the future needs of the program;
- Input from interested parties regarding the options proposed by staff, including the non-chargeability of relocatable buildings to ensure equity; and
- Information about the maintenance work performed by school districts in order to ensure relocatables are maintained in good repair.

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board regarding the willingness of CASH to assist OPSC in communication with school districts regarding the Relocatable Classroom Program.

REGULATIONS/POLICY***Small High School Program Funding***

This item was withdrawn.

REPORTS***Charter School Facility Program Joint Report***

The Charter School Facility Funding report was jointly prepared for submission to the California Legislature by SAB/OPSC staff and the California School Finance Authority (CSFA). Part "A" was prepared by OPSC and Part "B" was prepared by the CSFA.

Ms. Katrina Johantgen, Executive Director of the CSFA, addressed the Board concerning Part "B" of the joint report and answered some questions for Board members. Mr. Ernie Silva, representing Murdoch, Walrath & Holmes, also addressed the Board regarding issue #3 in Section 2, "Recommendations for Statutory Changes" pertaining to grant agreements.

Based on Part "A" of the report, the Board requested that, if any Charter School Facility Program regulatory issues are addressed in the future, CDE be given an opportunity to look at the issue of charter school site size.

The Board accepted the report as presented; it will be submitted to the Legislature by July 1, 2005.

School Facilities Needs Assessment Grant Program Progress Report

The Board accepted the report as presented and authorized the Executive Officer to provide copies of the report to the Governor and the Legislature.

Residual Modernization Grants

The Board accepted the report as presented.

CLOSED SESSION

This item was withdrawn.

INFORMATION/REFERENCE***Remaining Board Meeting Dates for the Calendar Year 2005******School Facility Program Workload List - Applications Received Through May 31, 2005******Facility Hardship/Rehabilitation Approvals without Funding List as of May 25, 2005*****ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 5:25 p.m.

LUISA M. PARK, Executive Officer